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C O N F I D E N T I A L ASUNCION 000613

SIPDIS  
DEPARTMENT FOR WHA DAS MCMULLEN AND WHA/BSC MILTON DRUCKER

E.O. 12958: DECL: 2019/10/21  
TAGS: [PTER](#) [PGOV](#) [PREL](#) [KCRM](#) [SNAR](#)  
SUBJECT: Kidnapping by Paraguayan People's Army or EPP Seizes  
Paraguayan Politics and Press

REF: ASUNCION 512

CLASSIFIED BY: Holloway, Perry, DCM; REASON: 1.4(B), (D)

¶1. (C) SUMMARY: The Paraguayan People's Army (EPP) kidnapped well-known rancher Fidel Zavala on October 15. According to initial reports, the kidnappers demanded a ransom of US \$5 million for Zavala's release. The Zavala family initially refused involvement of the Paraguayan National Police, but is now working with the GOP and Colombian Advisors sent by President Uribe (PNP), after talking with President Lugo. Individuals and political parties are using the kidnapping to bash the GOP and President Lugo, with some even calling for his removal. The GOP has done everything right so far and is working closely with the family. Media initially was vociferously against President Lugo and Minister of Interior Filizzola but criticism is abating. The family awaits communication from the kidnappers and has asked to be in complete control of the negotiations with the direct support of the Colombian experts. President's Lugo's future actions regarding security will be key in allowing him to move forward on other items on his agenda. END SUMMARY.

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The Kidnapping and the Bad Guys  
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¶2. (SBU) On October 15 at approximately 1930 hours, a group of 14 heavily armed people wearing camouflage entered well-known rancher Fidel Zavala's cattle ranch in the state of Concepcion, captured Zavala, and fled using Zavala's own vehicle. Only one of the kidnappers covered his face, prompting public speculation that a foreign element was among the group, or that he was a former ranch employee. The kidnappers told ranch workers that they would demand \$5 million for his release and that they were from the Paraguayan People's Army (EPP in Spanish).

¶3. (SBU) The Paraguayan National Police (PNP) located Zavala's abandoned vehicle the following day, October 16. As police opened the vehicle door, an Improvised Explosive Device (IED) exploded, injuring two police officers and one critically. This is the first time that an IED has been used in a kidnapping. To date there has been no subsequent communication by the kidnappers and Zavala remains missing.

14. (SBU) The EPP is a leftist armed group that professes to seek change on behalf of the poor of Paraguay. The EPP has kidnapped two other wealthy or prominent people in the last six years. A government raid of an EPP camp in August (RefTel Asuncion 512) revealed a lot about the organization and seemed to indicate that the group was small, weak, and was not well financed or trained. EMBASSY NOTE: If this kidnapping is the work of the EPP, then its level of operability is higher than most believed and if it receives a significant ransom, its funding will be secure for the short to medium term. END NOTE

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The Mudslinging Begins  
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15. (SBU) Immediately following the kidnapping, there was a public outcry for action. President Lugo's political enemies took advantage of the kidnappings and made comments in the press like:

B7           The President is not doing enough for security in the rural areas

B7           It is the President's fault

B7           The President is in with the kidnappers

B7           The President should be impeached

B7           The police are behind the kidnapping

B7           The government knew about the potential kidnapping and let it happen.

16. (C) In fact, the initial press reporting was all about the President's and his government's ineffectiveness, instead of focusing on Mr. Zavala's release. The Zavala family was very disturbed that the personal political agendas were very risky and privately called for toning down the attacks. EMBASSY COMMENT: Embassy believes that the GOP is taking all necessary and available steps. Unfortunately, no matter the outcome the GOP will likely come out of this incident under attack from many fronts. If released the dialog will be on why the government let this happen. If not released successfully, the government will be crucified as failing on security. The GOP has all the incentives to seek a positive resolution, but not necessarily all the tools and support it needs.

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Meetings Are Us  
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17. (C) On October 16 Ambassador Ayalde met separately with the Minister of Interior and the President of Paraguay in meetings programmed before the kidnapping. Although the discussions covered many topics (See Septel), both the President and the Minister spoke at length about their concerns and the actions they were taking regarding the kidnapping. The President told the Ambassador he was doing everything possible to ensure the safe release of Mr. Zavala. He told Ambassador that he had spoken to Colombian President Uribe

three times immediately following the kidnapping, immediately offered a team of Colombian government kidnapping experts. The team plus equipment arrived that evening to assist with the

investigation. EMBASSY NOTE: The GOP and the Zavala family told us that they are impressed with the Colombian experts. All have received US training and technical assistance under Plan Colombia. END NOTE.

¶8. (C) Based on press reports stating that the GOP was not taking the kidnapping response seriously, members of Zavala's family asked to meet with Ambassador Ayalde on October 16. At 1900 hours, Ambassador Ayalde met with Felina Amarilla first cousin of Zavala and Fernando Serrati a close family friend. Both claimed to not trust Lugo and feared he was not doing anything to advance the investigation due to his left-leaning ideology. The Ambassador responded that she believed the President and Minister of Interior were fully engaged in bringing Mr. Zavala home safely. Ambassador affirmed that the focus should be on seeing Mr. Zavala released and on avoiding public political attacks, since that would be counterproductive.

¶9. Colombian Ambassador to Paraguay Mauricio Gonzalez also asked to meet with Ambassador Ayalde on October 17. He was concerned that Mr. Zavala's kidnapping was being used for personal and political agendas. He feared that the public nature of these attacks would jeopardize the success of the release. He hoped that the Colombian involvement would be kept low profile because their Embassy had received a threat by EPP (prior to the kidnapping) that if Colombians got involved they would retaliate against Colombian citizens in Paraguay. EMBASSY NOTE: So far, Colombia's involvement has barely been mentioned. END NOTE.

¶10. (C) On October 17, at the request of Vice Minister of Interior Caballero, Embassy Regional Security Officer (RSO) attended a meeting with the Paraguayan and Colombian team assembled to investigate the kidnapping. Of primary importance to them was the fact that the Zavala family refused to accept GOP assistance. Based on advice from a family confidant and Paraguayan attorney, the Zavala family did not want the police to be a part of the negotiation with the EPP. The Colombian police said that without the family's acquiescence, they would be of inconsequential assistance.

¶11. (C) Vice Minister told the group that President Lugo stated that the President could not afford for Mr. Zavala to die. RSO suggested they redouble efforts to bring the family into the fold by emphasizing the President's commitment to the case, the Colombian expert assistance, and the fact that as a joint effort the case stood a better chance of resolution. The Vice Minister recommitted to attempting to convince the Zavala family to accept assistance from the GOP. On October 18, President Lugo and the Minister of Interior visited the Zavala family and convinced them to accept Colombian assistance in the investigation.

¶12. (C) On October 19, the Attorney General for Paraguay met with Ambassador Ayalde to express his concern about the direction of the investigation. Claiming that he felt sidelined by the Ministry of Interior, the Attorney General launched into a broader criticism of key GOP Ministry of Interior and police officials. EMBASSY NOTE: There is an ongoing feud between the Public Ministry (led by the Attorney General) and the police regarding who should be in charge of investigations. END NOTE. The Ambassador stressed the need to focus on a successful release and the wishes of the family. She told the Attorney General that she would raise his concerns if an opportunity presents itself and looked forward to working with him in the future on improving the relationship between prosecutors and police.

¶13. (C) Also on October 19, Zavala brothers Diego and Gonzalo asked to meet with Ambassador. They thanked the Ambassador for her interest in the case and reiterated their faith in the Minister and Vice Minister of Interior (while expressing no confidence in the PNP). Diego Zavala noted that the political opportunism to use this kidnapping to discredit President Lugo was counterproductive to their need for a strong executive at this crucial moment. The brothers added that they were extremely grateful to Colombian President Uribe for his assistance and had agreed to accept the Colombian teams assistance and requested that the negotiator work directly with the family and not, through the Minister of Interior or the PNP. The family is keeping the Minister of Interior advised of developments by talking directly with him on a regular basis. EMBASSY NOTE: The lack of trust in institutions is very apparent and the trust in the Minister and Vice Minister of Interior is based on close personal ties in the past, not confidence in their institution.

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#### The Early Investigation Reveals Little

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¶14. (SBU) The kidnappers have made no attempts to communicate with the Zavala family. The armed kidnappers stated that they were from the EPP. They told witnesses to inform the family to prepare US \$5 million and that they would communicate with the family at a later date. The kidnappers warned that the police should be kept at bay or they would kill Zavala.

¶15. (C) According to the Colombian police major who analyzed Zavala's vehicle, the explosion came from an Improvised Explosive Device (IED) packed with ball bearings attached to batteries. The device was rigged to explode when the door opened and the circuit closed. The Colombians estimate that there was no more than 500 grams of high explosives and have sent the material to their laboratory for analysis. They indicated that the device was very similar to those used in Colombian narco-trafficking labs and that it was "100% FARC". EMBASSY NOTE: While the Foreign Terrorist Organization (FTO) called the Revolutionary Armed Services of Colombia (FARC in Spanish) was certainly in Paraguay a few years ago working with the EPP, there is no recent intel to indicate that this is still the case, although the media and government opposition are feeding into this theory with little facts or evidence.

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#### Criticism Lessens, But Future is Rocky

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¶16. (SBU) The decision by the Zavala family to accept Colombian assistance, Lugo's personal visits to the family's residence, and the GOPs outreach to the press tempered the public criticism towards the GOB and the focus has shifted more to the actual kidnapping and how to ensure the successful release of Mr. Zavala, although the more radical groups opposed to the government continue to say Lugo should be removed through impeachment. There is no indication that this is seriously being considered by the Congress or anyone else.

¶17. (C) COMMENT: Criticism of the government for the worsening security climate has increased over the last few months as

kidnappings, murders, and robberies continue to make monthly headlines. Emblematic of this problem is the Zavala family's refusal to place any trust or confidence in the PNP. This is due to the police's alleged involvement in a number of high-profile murder and narcotics cases. In fact, the Minister of Interior was recently quoted as saying, "the police is full of mafias." The President also mentioned to the Ambassador that the situation in the police is untenable and needs drastic changes given all of the "embedded mafias" that back to different politicians. No matter the outcome, the actions of the GOP after the kidnapping are critical to stemming the negative voices from many fronts criticizing the government's performance on security and other issues. If the President does not take concrete action on security matters to convince his detractors that he is committed to security and rule of law, his ability to get work done on other issues will be limited. This could be looked back upon as a seminal moment in the Lugo Administration. END COMMENT.

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